



**Steven K. Young, Director**

**Meskwaki Compact Approved, Published in Federal Register**

DES MOINES, IOWA (January 6, 2005) – The new gaming Compact between the State of Iowa (State) and the Sac and Fox Tribe of the Mississippi in Iowa (Tribe) became effective on December 20, 2004, upon notice of its approval in a federal publication. The Indian Gaming Regulatory Act of 1988 (IGRA) requires that the Secretary of the United States Department of the Interior publish notice of approved Tribal-State compacts in the Federal Registry. The State and the Tribe concluded their lengthy Compact negotiations last October and forwarded the signed agreement to the Secretary for review and approval. The Director of the Iowa Department of Inspections and Appeals (Department) is charged with the statutory responsibility to enter into and implement agreements or compacts between the State and Indian tribes located in the state, which are entered into under the authority of IGRA. Iowa Code § 10A.104(10).

IGRA very clearly stipulates permissible topics of negotiations and areas allowed to be included in a compact. Tribal gaming operations cannot be “taxed” by a state. 25 U.S.C. § 2710 (d)(4). Net “revenues” from tribal gaming are not to be used for any purpose other than: (i) to fund tribal government operations or programs, (ii) to provide for the general welfare of the Indian tribe and its members, (iii) to promote tribal economic development, (iv) to donate to charitable organizations, or (v) to help fund operations of local government agencies. 25 U.S.C. § 2710 (b)(2)(B). A compact may include an assessment by the state of such activities in such amounts as are necessary to defray the costs of regulating such activity or any other subjects that are directly related to the operating of the gaming activities. These are typically referred to as “actual” costs. 25 U.S.C. §§ 2710 (c)(C)(iii) and (vii).

The first Compact with the Tribe was entered into in 1992, and covered a period of two (2) years. It allowed for extension of its terms through mutual agreement of the parties. The

more recent Compact was renegotiated in 1995, and covered a period of eight (8) years. It expired in June 2003, but was extended by its own terms for one year when both parties provided written notice of their intent to renegotiate the Compact. This Compact was mutually extended again by written agreement of both parties as negotiations continued. On October 21, 2004, the newly negotiated Compact was agreed to and executed by both parties, then forwarded to the Secretary of the Interior for review and subsequent approval.

The new Compact respects the spirit and intent of IGRA. The Compact provisions contemplate a possible extended duration, authorizes for the first time reimbursement to the Department for its actual costs attributed to regulatory enforcement, permits reimbursement to other State entities for their actual costs attributed to regulatory enforcement, payment to the State to defray some portion of gambling addiction treatment costs, and, among other provisions, requires that the Tribe enter into good faith negotiations with local governments for payment of services impacted by gaming operations. The prior Compacts contained no provisions similar to those identified above.

Among many of the significant provisions, the Compact specifically addresses the following issues:

- The Compact is effective for fifteen (15) years beginning December 20, 2004, and shall automatically be renewed for a like period unless either party provides notice its intent to renegotiate Compact terms. The extended term of the Compact and its automatic renewal is predicated upon the Tribe's stated intent to significantly expand its gaming operation. Should the completion of the expansion not occur within four (4) years from the effective date of the Compact, the term of the Compact and its automatic renewal shall be reduced to eight (8) years, beginning on the effective date.
- Payment of \$25,000 by the Tribe to the Department within 30 days of the effective date of the Compact to defray actual costs of regulatory oversight. Beginning January 1, 2005, and thereafter annually during the term of the Compact, the Tribe shall remit to the Department \$50,000, increased each year by a percentage equal to the Consumer Price Index (CPI) to cover actual costs of Departmental regulatory enforcement.

- The Tribe will create an escrow account at an off-settlement bank with an initial contribution of \$100,000 for the first year of the Compact. This escrow account is to reimburse State entities other than the Department for actual expenses incurred in performing regulatory oversight. By way of example, these State entities may include the Office of the Attorney General and the Department of Public Safety.
- No later than January 1, 2005, and thereafter annually during the entire term of this Compact, the Tribe shall pay to the State an annual assessment in the amount of \$50,000, increased each year by a percentage equal to the CPI for the purpose of covering a portion of the actual costs expended for gambling addiction treatment.
- Prohibits anyone under the age of 21 from gambling.
- Provides that if the parties cannot agree to a resolution for a claimed non-material breach of the Compact, the parties will agree to the decision of an arbitrator.
- Provides for a mechanism to address claimed material breaches of the Compact.
- Provides the Tribe will honor all court-ordered child support and tax liability collections against persons employed by the gaming operation.
- Provides the Tribe will revoke the occupational license of any individual who fails to make court-ordered child support payments.
- Provides the Tribe will abide by all international building, mechanical, plumbing and fire codes in the construction or remodeling of gaming facilities.

“The relationship between the State of Iowa and the Sac and Fox Tribe of the Mississippi in Iowa rests on mutual trust and the recognition that each has a primary duty to protect both the gaming public and the integrity of gaming,” Director Young said.

“The approved Compact respects the sovereign status of the Tribe and recognizes the principal goal of federal policy to promote tribal economic development, tribal self-sufficiency, and strong tribal government. Tribal Chairman Homer Bear, Jr., and I firmly believe that this Compact is mutually beneficial to the State of Iowa and Tribal members.”

A copy of the Indian Gaming Compact between the State of Iowa and the Sac and Fox Tribe of the Mississippi in Iowa can be found on the Iowa Department of Inspections and Appeals web site. [You can access the Compact by clicking here.](#)